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Chief, Management Staff

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10 JAN 1957

Acting Comptroller

Management Staff Report titled "Study of Technical Accounting Staff", dated 13 December 1956

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Date: <b>24-4-78</b> By: <b>35</b>

1. The subject report has been carefully reviewed and this memorandum sets forth the action taken or contemplated relative to the recommendations contained therein. The comments set forth below are identified by the paragraph designations used in the subject report.

a. Paragraph 6a

While we agree in principle that the maintenance of a record of man-hours devoted to specific projects would provide a media for estimating time required for new projects of a similar nature, our study of the problem discloses that relatively few instances would occur in which the accumulated data could be effectively utilized because of the wide variance in the type and scope of individual projects undertaken by the Technical Accounting Staff and the varying circumstances encountered in their accomplishment. Our view in this connection is further supported by the conclusions recently reached, in which your Staff concurred, to discontinue time-work measurement techniques where they had been established within the Finance Division of this Office with respect to operations of a more routine nature and presumably more susceptible to realistic time measurement techniques than those of the Technical Accounting Staff.

b. Paragraph 6b

It is assumed that this recommendation is made because of the evidence that Technical Accounting Staff members in many instances have not met the target dates established for completion of assigned projects. The current practice within Technical Accounting Staff is to require staff members to prepare the Project Assignment Sheet relative to each project, after preliminary discussion relative to the assignment with the Chief, and to participate in the establishment of the target date assigned. Circumstances relative to each project assignment as well as the overall work assigned to each staff member affect the accomplishment of projects within the target periods designated. The Chief, Technical Accounting Staff and the writer both recognize the desirability of adherence to established target dates and more effort will be directed toward the establishment

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of appropriate target dates and to their revision whenever circumstances indicate that the dates originally established are unrealistic.

c. Paragraph 6c

This recommendation will be adopted. The original documentation to support the need for a staff in this Office for the development of accounting and related fiscal policy and procedure clearly identified the mission and functions to be accomplished by such a staff and has served in lieu of a specific directive as recommended. It is believed however that the issuance of such a directive is desirable. The directive to be issued will conform substantially with that set forth in Annex IV, Tab K, of the subject report.

d. Paragraph 6d

The action contemplated by this recommendation has been followed by Technical Accounting Staff and will be continued.

e. Paragraph 6e

We do not agree with the objective of this recommendation. It is recognized that in a few instances the Technical Accounting Staff performs detailed bookkeeping functions, including in some cases the recording of transactions, preparation of financial statements and tax returns, etc., for individual projects. This action has been undertaken on a service basis by the Technical Accounting Staff in connection with a few small projects where the workload involved has been insufficient to justify the employment of a full or a part-time accountant or bookkeeper, or where the personnel employed for clerical functions are not qualified to perform the more technical accounting work of closing the books, preparing financial reports and tax returns, etc. In isolated cases also the Staff has provided assistance in short intervals resulting from employee turnover in projects. The total of such detailed accounting assistance to projects has not required, as an estimate, more than thirty (30) man-days per year, and would not warrant the employment of a trained accountant by Commercial Staff. Other functions performed by the Technical Accounting Staff relative to proprietary projects represent proper responsibilities of this Office.

f. Paragraph 6f

(1) This Office does not agree with the recommendation or with the evaluation set forth in the report of background data upon which the recommendation was based.

(2) In paragraph 3d of the report the statement is made that 34 projects assumed by the Technical Accounting Staff "were wholly outside of" the scope of the Comptroller's mission or "could or should have been the responsibility of some other Agency component". Apparently the 34 projects

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considered in this group are those set forth in Annex IV, Tab J which are described in paragraph 4d as disclosing "\*\*\* areas of interest common to two or more components of the Agency". While we agree that these work projects like most others performed by the Technical Accounting Staff involve areas of interest common to other Agency components, we do not agree with the statement in paragraph 3d of the report that they either (a) were wholly outside of the scope of the Comptroller's mission or (b) should have been the responsibility of some other Agency component.

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(3) As an example, referring to the third project listed - "Project No. 13 - Regulation [redacted] relating to the establishment of a Board of Review re shortages of funds-agents", this project directly relates to the Comptroller's mission and should be the primary responsibility of the Comptroller. The responsibility for financial operations under R [redacted] is that of the Comptroller; the accountability records relative to funds advanced are maintained by the Comptroller or under his direction; responsibility for processing requests for relief from accountability rests with the Comptroller; the DD/S directive establishing the Agency's Board of Review for shortages and losses of funds requires that its Chairman be designated by the Comptroller. While the proposed regulation developed under this project was participated in by the Office of General Counsel, the Office of Security, the Audit Staff and other components, the primary responsibility should be assumed by this Office and properly was referred to the Technical Accounting Staff for action.

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(4) While the foregoing paragraph discusses only one project assignment, background reasons exist justifying the assumption by the Technical Accounting Staff of nearly all of the 34 projects listed. In a few cases, however, such as with respect to projects Nos. 9, 74 and 77 the interest of this Office was such that the responsibility could equally well have been referred to the Management Staff. In others, such as projects Nos. 51, 133 and 143, the Technical Accounting Staff actually referred the projects to other components of the Agency and discontinued the projects as a primary responsibility. Projects Nos. 24 and 84 were undertaken originally as cooperative work assignments with the Management Staff; however, a Technical Accounting Staff project assignment was made to designate to the TAS staff member his responsibilities.

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(5) While it is our view that no serious overlapping exists within regulations [redacted] to require a committee-type action, as recommended; in the event that such action is deemed essential it would appear that this would more properly be for implementation by the Management Staff than by the Comptroller in keeping with the underlying objective of the subject recommendation to maintain action responsibility consistent with the missions of the respective components of the Agency.

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2. We appreciate the constructive approach followed by your Staff in the conduct of the study of the Technical Accounting Staff and, if you so desire, shall be pleased to discuss the comments set forth herein with you or your Staff representatives at any time.

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TAS/FWG/bw (8 Jan. 1957)

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**Remarks:** Transmitted herewith for your information is a copy of a study of Technical Accounting Staff 13 December 1956 by the Management Staff and our reply of 10 January 1957.

In view of our recent conversation in which you indicated an interest in obtaining a better understanding of the operations and responsibilities of the Technical Accounting Staff, I thought you might wish to read at least the memorandum from Chief, Management Staff, of 13 December and our reply. In any event apropos our recent discussions, your attention is particularly referred to para. 4.a. of the 13 December memorandum from Chief, Management Staff. (over)

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I have scanned  
this but frankly  
haven't had  
time to really  
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W  
(L.K. WHITE)

1/22/59

I briefed Col. White on the  
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